

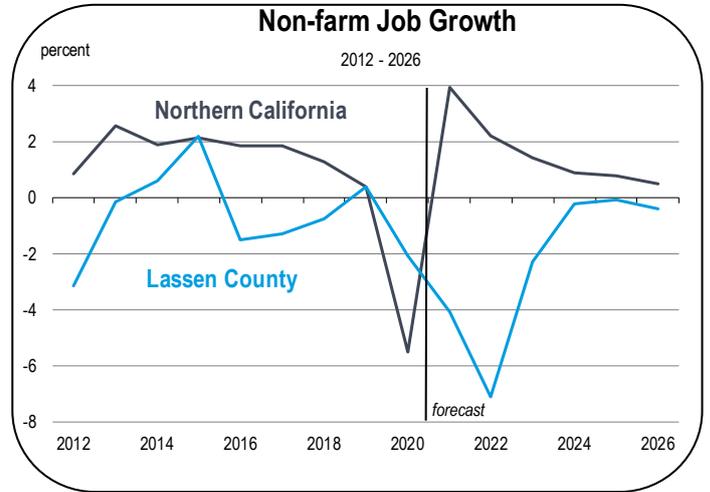
Lassen County Economic Forecast

Forecast Summary

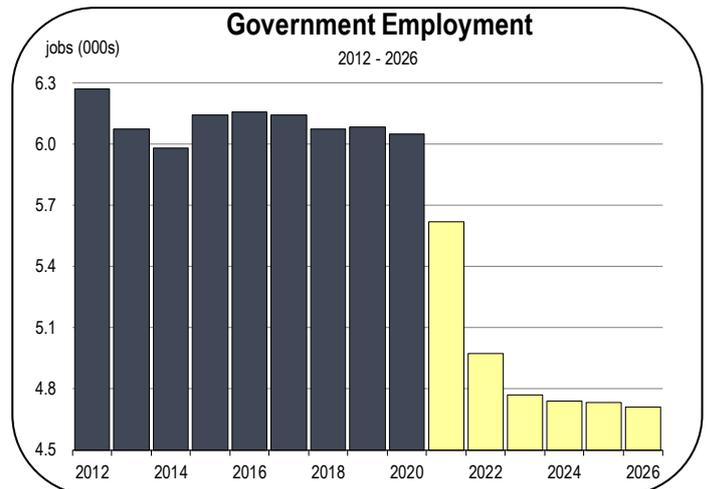
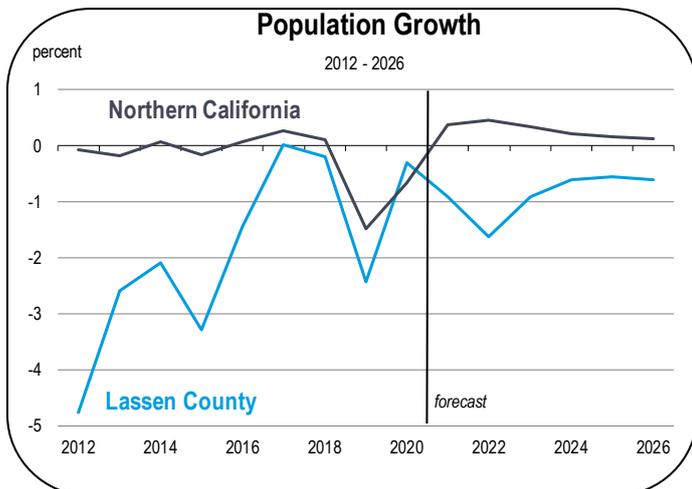
- Total employment in Lassen County will decline throughout most of the 2021-2026 forecast period.
- The California Correctional Center, a prison in Susanville, will be deactivated during 2021 and 2022.
- Because the California Correctional Center accounts for more than 10 percent of all jobs in Lassen County, closing it will have a major impact on the economy and job market.
- Total employment across Lassen County will decline by 2.1 percent in 2021 and 6.7 percent in 2022.
- The job market will not recover before the end of the 2021-2026 forecast period, and may never completely recover.
- The unemployment rate averaged 7.2 percent in 2020. It is forecast to decline to 5.5 percent in 2021 as people drop out of the labor force but increase to 6.2 percent in 2022 as local residents lose their jobs.
- The Lassen County population is expected to shrink during the forecast period and could continue to decline over the long term (through at least 2030).
- The median home price increased by 11 percent in 2020. Home prices are forecast to rise by 10 percent in 2021 and 5 percent in 2022.

Government Employment

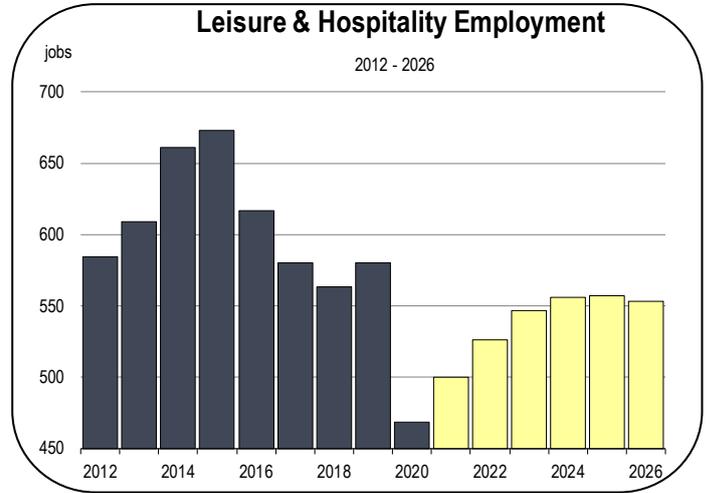
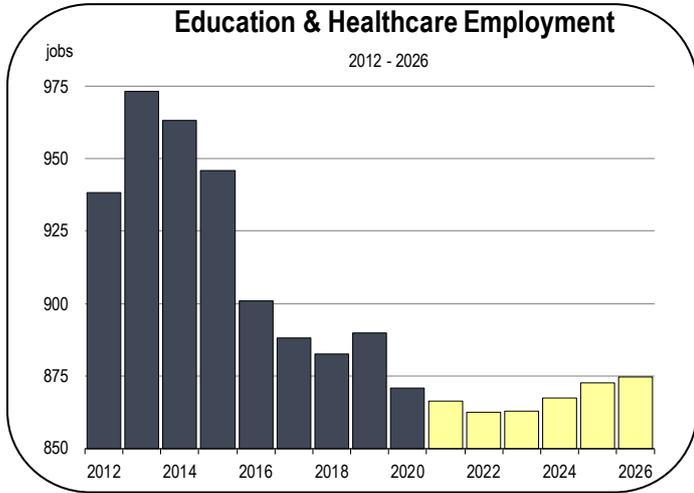
- Lassen County has several prisons and correctional facilities, and they collectively account for a major share of jobs within the county.



- In April 2021, it was announced that the California Correctional Center will be deactivated and that all jobs at the facility will be eliminated or transferred to other prisons.
- The prison housed 2,300 inmates and employed 1,100 workers. Staff layoffs and transfers will begin in 2021 and are expected to be complete by June 30, 2022.
- After the facility is deactivated, Lassen County will continue to have a sizable number of government jobs at other correctional institutions, including High Desert State Prison, which is also located in Susanville and holds 3,300 inmates.
- Other than prisons, the most prominent government activity in Lassen County is related to the local school districts and the Sierra Army Depot.
- Sierra Army Depot will likely retain its 1,800 workers, but local school districts may lose jobs during the forecast period as the school-age population declines.



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Private Education and Healthcare Employment

- The private education and healthcare industries account for approximately 10 percent of all jobs in Lassen County.
- Over the 2021-2026 forecast period, employment levels at hospitals, doctors offices, and charter schools will remain relatively stable.
- Because the Lassen County population is declining, local charter schools will be able to serve local students without hiring new staff.
- Because hospitals and other healthcare facilities are struggling to fill open positions, it is unlikely that the local healthcare sector will expand over the short term forecast horizon.

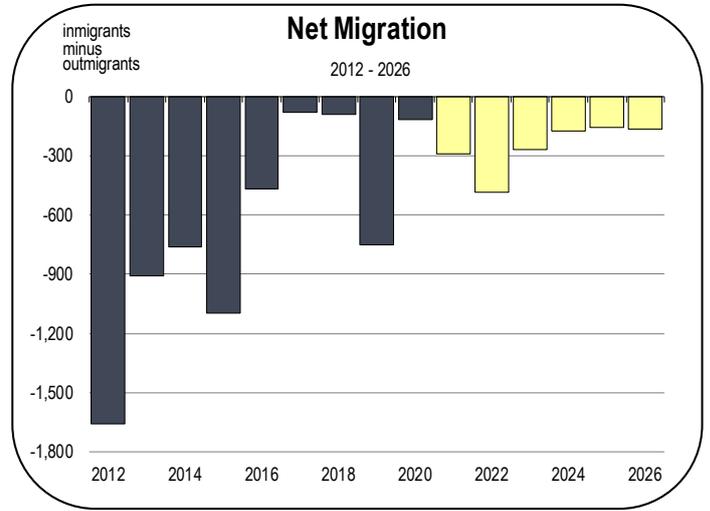
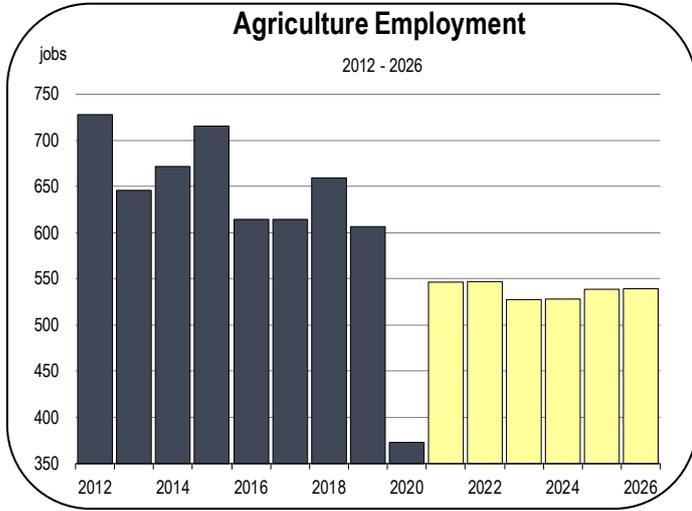
Leisure and Hospitality Employment

- Lassen Volcanic National Park is the largest tourism attraction in Lassen County.
- Each year, thousands of tourists visit the park for its lakes, mountains, and meadows.
- Travel activity was severely restricted in 2020 by the Coronavirus Pandemic and California’s stay-at-home orders.
- In 2021 and 2022, it is expected that tourism activity will begin to return to normal, and that local leisure and hospitality businesses will generate higher levels of revenue and re-hire staff.



Lassen Volcanic National Park

Lassen County Economic Forecast



Agriculture Employment

- Agriculture employment declined by more than 200 jobs during 2020. Most of these jobs will be recovered in 2021 and employment levels will remain stable in 2022 and 2023.
- The most prominent agricultural commodities in Lassen County are hay and livestock.
- The hay and livestock industries in Lassen County each produce more than \$30 million in output annually and employ hundreds of workers.

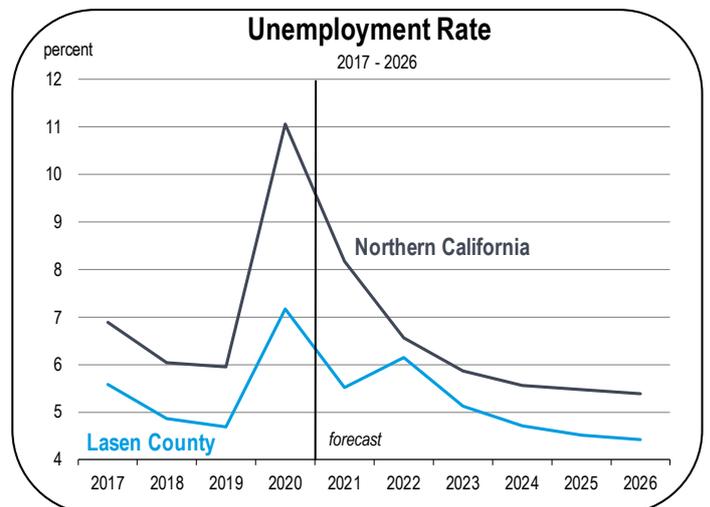
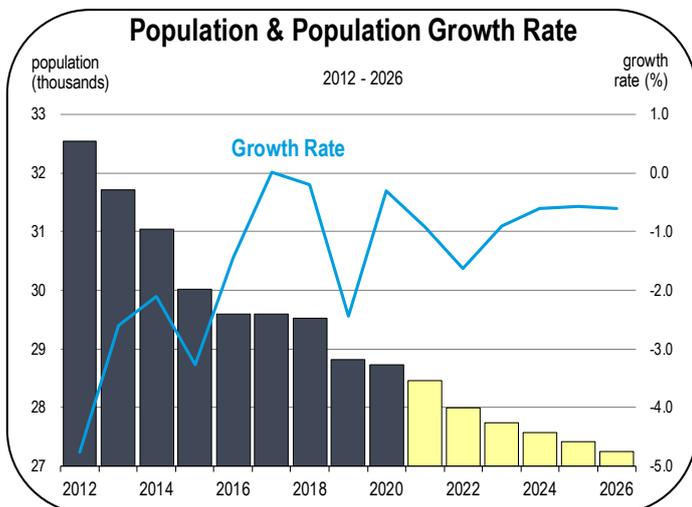
Population Growth

- The Lassen County population is expected to decline during the 2021-2026 forecast period.

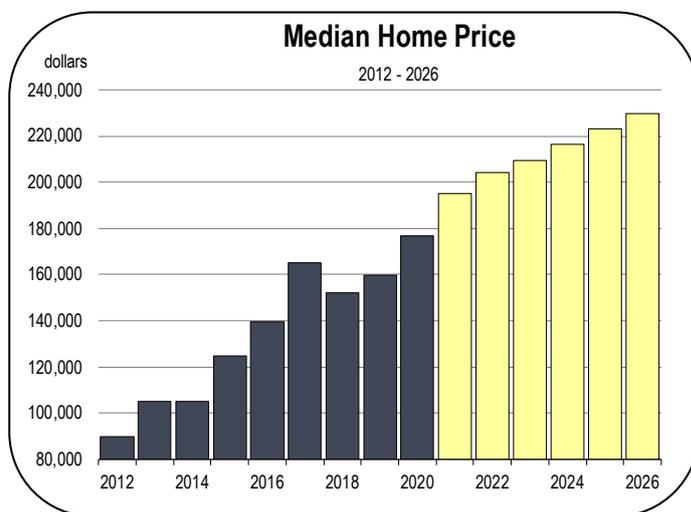
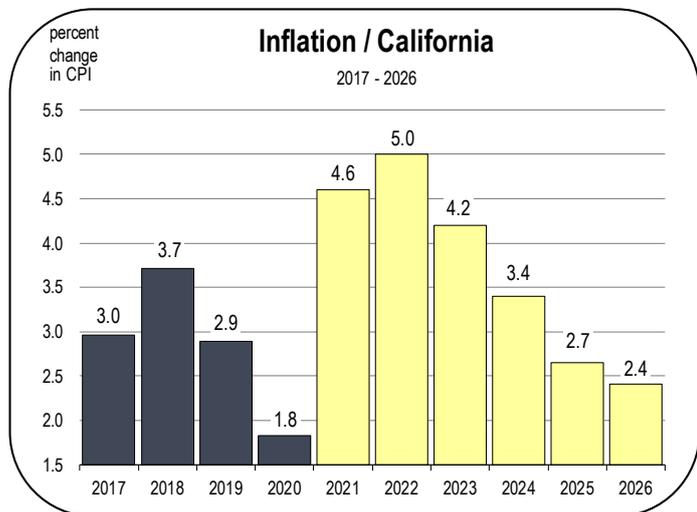
- During the forecast period, the number of people moving out of Lassen County will exceed the number of people moving into the county.
- The population will decline at an annual average rate of 0.9 percent per year from 2021 to 2026, which is faster than almost any other county in California.
- By 2026 the Lassen County population will have fallen below 27,500 residents.

Unemployment and Inflation Rates

- The unemployment rate in Lassen County averaged 7.2 percent in 2020.
- An unemployment rate below 5.0 percent signifies a fully employed workforce in Lassen County.



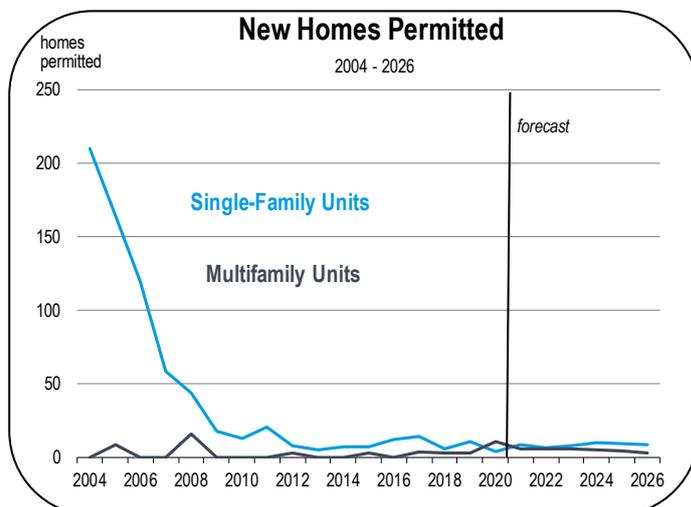
Lassen County Economic Forecast



- The unemployment rate is expected to decline to 5.5 percent in 2021 because people will exit the workforce.
- In 2022, the unemployment rate will increase to 6.2 percent as local residents lose their jobs due to the closure of the California Correctional Center in Susanville.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. It soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
 - Record levels of spending by consumers and government agencies
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages
- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

Home Prices and New Housing Production

- In 2020 the median home price in Lassen County was \$176,700. The median price is expected to increase by 10 percent in 2021 as prices rise sharply across virtually every California market.
- In 2022, home price appreciation should slow down, but the median selling value could exceed \$220,000 by 2026.
- From 2016 to 2021, an average of 13 new homes were started per year in Lassen County. Approximately 70 percent were single-family homes.
- Housing production is expected to average 10 to 15 units per year from 2021 to 2026, consisting primarily of single-family homes.



Lassen County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

| | Population (people) | House- holds (thousands) | Net Migration (people) | New Homes Permitted (homes) | Registered Vehicles (thousands) | Personal Income (billions) | Taxable Retail Sales (millions) | Total Taxable Sales (millions) | Real Industrial Production (millions) | Real per Capita Income (dollars) | Unemployment Rate (percent) | Real Farm Production (millions) | Inflation Rate (percent) |
|------|------------------------|--------------------------------|------------------------------|-----------------------------------|---------------------------------------|----------------------------------|--|---|--|---|-----------------------------------|--|--------------------------------|
| 2015 | 30,023 | 9.8 | -1,096 | 10 | 36.5 | \$1.1 | \$203 | \$295 | \$46.2 | \$40,612 | 7.3 | \$145 | 1.4 |
| 2016 | 29,587 | 9.6 | -470 | 12 | 37.1 | \$1.1 | \$204 | \$334 | \$45.4 | \$41,509 | 7.0 | \$131 | 2.3 |
| 2017 | 29,591 | 9.6 | -78 | 18 | 36.0 | \$1.1 | \$278 | \$365 | \$48.5 | \$40,857 | 5.6 | \$141 | 3.0 |
| 2018 | 29,532 | 9.5 | -92 | 9 | 36.0 | \$1.1 | \$205 | \$277 | \$47.0 | \$40,222 | 4.9 | \$140 | 3.7 |
| 2019 | 28,812 | 9.4 | -751 | 14 | 36.6 | \$1.2 | \$212 | \$278 | \$50.5 | \$41,226 | 4.7 | \$143 | 2.9 |
| 2020 | 28,722 | 9.4 | -115 | 15 | 36.8 | \$1.2 | \$238 | \$302 | \$55.1 | \$42,131 | 7.2 | \$146 | 1.8 |
| 2021 | 28,459 | 9.5 | -290 | 15 | 36.9 | \$1.2 | \$224 | \$285 | \$56.0 | \$42,075 | 5.5 | \$143 | 4.6 |
| 2022 | 27,995 | 9.5 | -484 | 12 | 36.6 | \$1.2 | \$226 | \$286 | \$54.0 | \$40,406 | 6.2 | \$143 | 5.0 |
| 2023 | 27,740 | 9.5 | -268 | 13 | 36.2 | \$1.2 | \$233 | \$295 | \$53.9 | \$40,904 | 5.1 | \$144 | 4.2 |
| 2024 | 27,573 | 9.5 | -174 | 15 | 35.9 | \$1.3 | \$239 | \$302 | \$53.5 | \$41,621 | 4.7 | \$144 | 3.4 |
| 2025 | 27,418 | 9.5 | -156 | 13 | 35.6 | \$1.3 | \$243 | \$307 | \$52.9 | \$42,245 | 4.5 | \$144 | 2.7 |
| 2026 | 27,250 | 9.5 | -164 | 12 | 35.4 | \$1.4 | \$247 | \$311 | \$52.2 | \$42,752 | 4.4 | \$145 | 2.4 |
| 2027 | 27,072 | 9.5 | -168 | 7 | 35.2 | \$1.4 | \$251 | \$315 | \$51.4 | \$43,221 | 4.4 | \$145 | 2.2 |
| 2028 | 26,895 | 9.5 | -163 | 4 | 35.0 | \$1.4 | \$255 | \$320 | \$51.3 | \$43,744 | 4.4 | \$145 | 2.3 |
| 2029 | 26,708 | 9.5 | -168 | 4 | 34.8 | \$1.5 | \$259 | \$325 | \$51.0 | \$44,050 | 4.3 | \$146 | 2.2 |
| 2030 | 26,526 | 9.5 | -160 | 7 | 34.6 | \$1.5 | \$265 | \$332 | \$51.2 | \$44,422 | 4.3 | \$146 | 2.2 |
| 2031 | 26,339 | 9.5 | -160 | 11 | 34.4 | \$1.5 | \$269 | \$337 | \$50.3 | \$44,779 | 4.3 | \$147 | 2.3 |
| 2032 | 26,151 | 9.5 | -159 | 9 | 34.2 | \$1.6 | \$274 | \$343 | \$49.4 | \$45,077 | 4.3 | \$147 | 2.2 |
| 2033 | 25,958 | 9.5 | -160 | 9 | 34.1 | \$1.6 | \$278 | \$348 | \$48.5 | \$45,527 | 4.3 | \$147 | 2.0 |
| 2034 | 25,770 | 9.5 | -154 | 11 | 34.0 | \$1.6 | \$283 | \$353 | \$47.6 | \$45,957 | 4.3 | \$148 | 2.1 |
| 2035 | 25,577 | 9.5 | -153 | 7 | 33.8 | \$1.7 | \$288 | \$359 | \$47.1 | \$46,389 | 4.3 | \$148 | 2.1 |
| 2036 | 25,374 | 9.6 | -159 | 6 | 33.7 | \$1.7 | \$295 | \$367 | \$46.3 | \$46,700 | 4.3 | \$149 | 2.2 |
| 2037 | 25,171 | 9.6 | -155 | 7 | 33.6 | \$1.8 | \$302 | \$375 | \$45.4 | \$47,032 | 4.3 | \$149 | 2.2 |
| 2038 | 24,964 | 9.6 | -158 | 7 | 33.5 | \$1.8 | \$308 | \$382 | \$44.6 | \$47,407 | 4.3 | \$150 | 2.2 |
| 2039 | 24,755 | 9.6 | -162 | 4 | 33.4 | \$1.8 | \$315 | \$390 | \$44.0 | \$47,714 | 4.3 | \$150 | 2.2 |
| 2040 | 24,558 | 9.6 | -153 | 10 | 33.3 | \$1.9 | \$322 | \$398 | \$43.5 | \$48,065 | 4.3 | \$151 | 2.1 |
| 2041 | 24,363 | 9.6 | -156 | 8 | 33.2 | \$1.9 | \$327 | \$404 | \$43.0 | \$48,466 | 4.3 | \$151 | 2.2 |
| 2042 | 24,171 | 9.6 | -154 | 6 | 33.1 | \$2.0 | \$333 | \$410 | \$42.6 | \$48,900 | 4.3 | \$151 | 2.1 |
| 2043 | 23,977 | 9.6 | -157 | 6 | 33.0 | \$2.0 | \$338 | \$416 | \$42.2 | \$49,288 | 4.3 | \$152 | 2.0 |
| 2044 | 23,786 | 9.6 | -154 | 11 | 32.9 | \$2.1 | \$343 | \$421 | \$41.8 | \$49,777 | 4.3 | \$153 | 2.2 |
| 2045 | 23,593 | 9.6 | -159 | 14 | 32.8 | \$2.1 | \$348 | \$427 | \$41.4 | \$50,201 | 4.3 | \$153 | 2.2 |
| 2046 | 23,397 | 9.6 | -161 | 11 | 32.7 | \$2.1 | \$353 | \$433 | \$41.2 | \$50,575 | 4.3 | \$154 | 2.2 |
| 2047 | 23,204 | 9.6 | -163 | 10 | 32.6 | \$2.2 | \$359 | \$440 | \$41.5 | \$50,866 | 4.3 | \$154 | 2.2 |
| 2048 | 23,016 | 9.6 | -162 | 13 | 32.5 | \$2.2 | \$366 | \$448 | \$41.8 | \$51,140 | 4.3 | \$155 | 2.3 |
| 2049 | 22,834 | 9.6 | -160 | 15 | 32.4 | \$2.3 | \$372 | \$454 | \$42.1 | \$51,494 | 4.3 | \$155 | 2.0 |
| 2050 | 22,653 | 9.6 | -166 | 12 | 32.3 | \$2.3 | \$378 | \$461 | \$42.5 | \$51,776 | 4.3 | \$156 | 2.1 |

Employment Sectors

2015-2020 History, 2021-2050 Forecast

| | Total Wage & Salary | Farm | Construction | Manufac- turing | Transportation & Utilities | Wholesale & Retail Trade (jobs) | Financial Activities | Professional Services | Information | Health & Education | Leisure | Government |
|------|------------------------|------|--------------|--------------------|-------------------------------|---------------------------------------|-------------------------|--------------------------|-------------|-----------------------|---------|------------|
| 2015 | 10,440 | 716 | 133 | 19 | 73 | 953 | 147 | 173 | 89 | 946 | 673 | 6,142 |
| 2016 | 10,200 | 615 | 153 | 10 | 85 | 963 | 148 | 157 | 114 | 901 | 617 | 6,157 |
| 2017 | 10,070 | 614 | 140 | 10 | 96 | 950 | 149 | 177 | 103 | 888 | 580 | 6,142 |
| 2018 | 10,040 | 659 | 168 | 8 | 83 | 969 | 143 | 187 | 92 | 883 | 563 | 6,073 |
| 2019 | 10,030 | 607 | 165 | 10 | 78 | 957 | 134 | 213 | 95 | 890 | 580 | 6,084 |
| 2020 | 9,600 | 373 | 183 | 7 | 83 | 931 | 127 | 230 | 62 | 871 | 468 | 6,050 |
| 2021 | 9,400 | 547 | 181 | 7 | 85 | 950 | 128 | 232 | 71 | 866 | 500 | 5,619 |
| 2022 | 8,770 | 547 | 182 | 7 | 76 | 949 | 127 | 231 | 75 | 863 | 526 | 4,974 |
| 2023 | 8,560 | 528 | 177 | 7 | 71 | 949 | 128 | 232 | 77 | 863 | 547 | 4,771 |
| 2024 | 8,550 | 528 | 177 | 7 | 67 | 949 | 128 | 232 | 80 | 867 | 556 | 4,741 |
| 2025 | 8,550 | 539 | 174 | 7 | 64 | 948 | 128 | 232 | 82 | 873 | 557 | 4,734 |
| 2026 | 8,520 | 539 | 172 | 7 | 61 | 947 | 128 | 232 | 80 | 875 | 553 | 4,711 |
| 2027 | 8,470 | 530 | 165 | 7 | 57 | 946 | 128 | 232 | 78 | 875 | 553 | 4,684 |
| 2028 | 8,430 | 541 | 160 | 7 | 56 | 946 | 128 | 232 | 76 | 873 | 553 | 4,648 |
| 2029 | 8,370 | 531 | 161 | 7 | 54 | 945 | 127 | 231 | 76 | 871 | 553 | 4,608 |
| 2030 | 8,340 | 532 | 164 | 7 | 53 | 945 | 127 | 231 | 75 | 865 | 552 | 4,578 |
| 2031 | 8,300 | 530 | 170 | 7 | 51 | 944 | 127 | 231 | 75 | 857 | 551 | 4,552 |
| 2032 | 8,270 | 529 | 167 | 7 | 48 | 943 | 127 | 231 | 75 | 853 | 550 | 4,532 |
| 2033 | 8,230 | 528 | 166 | 7 | 44 | 943 | 127 | 231 | 74 | 847 | 550 | 4,511 |
| 2034 | 8,210 | 525 | 168 | 7 | 41 | 942 | 127 | 231 | 74 | 842 | 550 | 4,503 |
| 2035 | 8,200 | 522 | 163 | 7 | 40 | 941 | 127 | 230 | 73 | 840 | 549 | 4,501 |
| 2036 | 8,170 | 521 | 162 | 7 | 37 | 941 | 127 | 230 | 73 | 836 | 549 | 4,482 |
| 2037 | 8,150 | 521 | 163 | 7 | 35 | 940 | 127 | 230 | 73 | 831 | 548 | 4,471 |
| 2038 | 8,120 | 518 | 162 | 7 | 32 | 940 | 127 | 230 | 72 | 825 | 548 | 4,455 |
| 2039 | 8,080 | 516 | 159 | 7 | 31 | 939 | 127 | 230 | 72 | 821 | 547 | 4,429 |
| 2040 | 8,060 | 518 | 167 | 7 | 29 | 938 | 126 | 230 | 73 | 819 | 546 | 4,410 |
| 2041 | 8,040 | 516 | 165 | 7 | 28 | 938 | 126 | 229 | 73 | 819 | 546 | 4,395 |
| 2042 | 8,020 | 516 | 163 | 7 | 26 | 937 | 126 | 229 | 73 | 819 | 545 | 4,384 |
| 2043 | 8,000 | 513 | 162 | 7 | 25 | 936 | 126 | 229 | 73 | 822 | 545 | 4,361 |
| 2044 | 7,980 | 513 | 169 | 7 | 24 | 936 | 126 | 229 | 73 | 824 | 544 | 4,336 |
| 2045 | 7,940 | 511 | 173 | 7 | 22 | 935 | 126 | 229 | 72 | 827 | 543 | 4,304 |
| 2046 | 7,910 | 509 | 170 | 7 | 21 | 935 | 126 | 229 | 71 | 832 | 543 | 4,271 |
| 2047 | 7,870 | 512 | 168 | 7 | 22 | 934 | 126 | 229 | 71 | 835 | 542 | 4,228 |
| 2048 | 7,830 | 510 | 173 | 7 | 22 | 933 | 126 | 228 | 69 | 837 | 541 | 4,187 |
| 2049 | 7,790 | 509 | 176 | 7 | 23 | 933 | 126 | 228 | 68 | 842 | 541 | 4,149 |
| 2050 | 7,740 | 508 | 172 | 7 | 24 | 932 | 125 | 228 | 67 | 844 | 540 | 4,103 |

Lassen County Economic Forecast

Socioeconomic Indicators

